13 March 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Robert Gates

SUBJECT : Problems of Analysis: Openers

1. A great deal has been written in recent years about the problems of analysis in CIA, mostly by people who have never worked in CIA and who have viewed its product from the vantage point of other intelligence organizations or, because of classification, on the basis of exposure to a small fraction--if that much--of its product. Even so, their concerns are justified; indeed, the situation in some respects is worse than they think. Despite a number of very talented analysts and managers, there is no doubt that there are serious problems with analysis in CIA. Some of these problems have existed for a long time. Nevertheless, successive DCIs either have not focused on the problems or have been unable to come to grips with them. This is due in large measure to the difficulty of getting at the problems because the sources are many and often abstract, and the instincts for self-defense and self-preservation in the analytical Directorate are strong. Accordingly, as you consider ways to improve analysis and estimates, you might bear in mind that "improving analysis" will require a commitment of time and level of attention by both of you that virtually none of your predecessors have been willing or able to sustain.

2. With this introduction, let me set forth for you an initial assessment of what I perceive to be the principal problems of analysis in CIA based on what I have learned coming up through the system, receiving CIA analytical products at the NSC for almost six years, and having held several senior management positions in NFAC (however briefly).

(1) Attitude. There is a curious blend in NFAC of arrogance and timidity. Allegations that people in NFAC are scared of being wrong are generally accurate. Analysts here prefer to stick strictly to the evidence and not go beyond it. As a result, we have a very highly paid group of historians and statisticians but a dearth of people who, using the evidence as a starting point, can then provide insight or trenchant estimates as to what might happen--the essence of the analyst's job, in my judgment. By the same token, those who inhabit this timid culture resent and disparage those who try to go beyond the evidence or those who hold a different interpretation of the evidence. This arrogance is not only directed at intelligence organizations outside of CIA, but is directed at other offices in NFAC and often at the DDO.

The range of views that is acceptable and considered "reasonable" to the culture in NFAC is very narrow, thus giving a remarkable homogeneity to analysis on any given subject.

Related to this arrogance is a reluctance to entertain alternative interpretations or to give controversial views any prominence. There is a conviction of analytical superiority in each of the main analytical offices--OER, OSR, OPA--that produces a defensiveness against outside criticism and prevents, for the most part, even an acknowledgement of substantive shortcomings. Thus, OSR almost automatically disdains work done by DIA; OER, with its near-monopoly on economic intelligence, has no use for DIA analysis on Soviet energy problems or for work by anyone else for that matter in their special sphere of competence. (This is not to say there are not good working relationships between individual analysts in CIA and counterparts in other agencies, but what is lacking is respect for and a willingness to entertain the views of those in other agencies.) For most NFAC analysts, there can be only one explanation of a given set of circumstances or evidence. Alternative interpretations are neither welcome nor pursued.

(2) Training. Contrary to outside assumptions, many CIA analysts are not specialists in their fields. For example, a number (if not most) of the people working on Soviet military problems in OSR have little or no background in Soviet or Russian history, much less in Soviet or Russian military history. Most have general Liberal Arts degrees, perhaps with a sprinkling of advanced degrees in general subjects such as political science. OSR analysts are expected to be specialists in weapons systems and little emphasis has been given to the development of specialists in Soviet strategy or the political uses of Soviet armed forces. The result is analysts who are technically proficient but who lack a broader understanding or grasp of the way the Soviet generals or civilian leaders look at military problems. Similarly, I believe you would find that many of the analysts in OER have good economics backgrounds but that the number who have an academic specialization in Soviet economic affairs is quite limited. Finally, OPA has a number of people who lack formal training in their respective areas of specialization, although significant strides forward have been taken in recent years to recruit people with good area backgrounds. While specialists with a good background in their area of responsibility certainly are not immune to errors in judgment and analysis, I believe there would be little argument that an analyst of Soviet, Cuban, African, or Asian affairs ought to be well grounded in the history and culture of his area. This is not the case at this point. Nor is there emphasis on such training once an analyst is on board.

(3) Political/Military Affairs. As indicated above, a principal area of criticism of CIA analysis has been our deficiencies in estimating Soviet military capabilities and intentions. One reason for this is that CIA has not developed over the years a capability for politico-military analysis. NFAC has analysts who specialize in Soviet political affairs but know very little about Soviet military affairs; OSR has many

analysts who understand Soviet weapons systems and the breadth of Soviet military programs but have little understanding of Soviet politics and how military power is used for political purposes. The Strategic Evaluation Center in OSR was founded almost ten years ago with a view to developing this capability.

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Only one small unit within the Strategic Evaluation Center works on Soviet politico-military affairs, and this unit focuses primarily on Soviet military doctrine. In short, one reason that NIE 11/3-8 and other similar estimates are weak on geostrategic analysis is because of the dearth of analysts in CIA who can look at the Soviet Union or other states and regions from a politico-military perspective.

(4) "The small picture." You have indicated your interest in producing estimates and analysis with a much broader scope than the work that has been done up to now. In asking for such "macro" analysis (e.g. on potential instabilities world-wide, economic vulnerabilities or broad geopolitical/geostrategic analysis), you are hitting NFAC where it is very weak. There has been little effort over the years in the analytical area to develop a cadre of experienced analysts who look at problems from a broad perspective. As an example of this problem, when NFAC decided to do the NIE on Soviet global policy in 1978, senior management finally ended up letting a contract for an outsider to prepare the first draft. It seemed to me then and still does that this was a shocking admission of failure to develop people with a geostrategic analytical capability. There are very few analysts who can analyze and write about the big picture.

(5) Academic or government analysts? A persistent problem in NFAC has been the failure to focus on problems from the perspective of the United States Government. There is a proclivity to take an academician's view of an international problem or country issue in an effort to be as objective as possible. The result is that issues of relative unimportance to the U.S. Government often eat up valuable resources; the implications of a given situation for the U.S. are often overlooked; and the vulnerabilities in a situation that might be exploited to U.S. advantage are ignored. Efforts to instill in analysts the importance of looking at a problem from the standpoint of the U.S. policymaker both in terms of the issues to be addressed and the implications more often than not raise a hue and cry about trying to politicize the analyst.

(6) The future. Related to problems of timidity and lack of background is the reluctance of NFAC analysts to speculate on or analyze the future. They are pretty good at doing situation reports, current intelligence and understanding events that already have taken place. It is very hard, however, to get analysts to write about what will happen--to conceive of and describe alternative outcomes and clearly identify the most likely. Their performance on future trends and on intentions is poor: they address the future too infrequently, too vaguely and too inaccurately. They have a hard time looking over the horizon. Of course

it is difficult. But it seems to me this is what intelligence is all about, and the lack of conclusive evidence or data is no excuse. Training, experience and instinct should equip our specialists to do this with some skill and success. It is the commodity most in demand by policymakers.

(7) Cross-discipline analysis. CIA remains primitive in the area of multi-disciplinary analysis. Organization into political, economic, and military offices accentuates a propensity to separate analysis of the many problems that cover two or more of those fields. This weakness certainly is one factor behind our shortcomings in doing "macro" analysis as well as our deficiencies in addressing the enormous number of subjects large and small that require integrated economic-political-military analysis.

(8) People. Of all my heresies, the one for which I would burn hottest is the assertion that NFAC has a lot of people who do not work very hard. NFAC, like most organizations, gets the vast majority of its best work out of a relatively small percentage of people. These highly competent analysts are indeed very overworked as they are pressed to do research, current intelligence, and policy support papers. On the other hand, there are a large number of people in the Directorate who produce publications of questionable value, who work for months or years on projects that may never see the light of day or that in truth would take a first-rate analyst much less time to complete. When ~~you are~~ told NFAC's resources are stretched thinly, this really means that the handful of analysts who can do quality work quickly are stretched too thinly. In my personal view, NFAC tolerates mediocre quality and slow performance by far too many people.

(9) Realism. I hesitate to raise this last problem because it is politically so sensitive and nerves already are raw over it in NFAC. For a long time, CIA Soviet analysts have heard about Soviet "master plans," global strategies and the like. In responding to such notions and knocking them down over the years, a culture has developed among Soviet analysts here that makes them skeptical of analysis suggesting any kind of Soviet strategy in any situation. They have come to look at Soviet activities piecemeal, on a country-by-country basis, and are suspicious of anyone who postulates that the Russians have a strategy anywhere that goes beyond hit and miss opportunism. This suspicion of Soviet "strategies," together with familiarity with Soviet problems and weaknesses, has narrowed the perception of analysts so that they minimize Soviet strengths and often fail to discern any Soviet strategy underlying discrete activities. At the same time, in the absence of good evidence, the analysts' "going in" position tends to assume that the Soviets are not involved in a given situation (terrorism, Nicaragua, Chad, etc.) instead of assuming that they are.

Another example of this lack of realism is found among Cuban analysts, who almost unanimously seem to think Castro drags reluctant Russians into various insurgent or revolutionary situations. In their view, it is

usually Castro manipulating the USSR and the Soviets worrying that Castro will get them into trouble with the U.S.

These are two examples of analytical mind-sets that get in the way of good, realistic analysis. I would be amazed if there were not similar examples in other areas.

3. There are remedies to most of the problems I have described (and which I discussed with Paul Nitze in the specific Soviet application). Some--such as those relating to attitude, priorities, attention to the future, realism and looking at problems from the standpoint of the U.S. Government--are subject to a relatively quick turn-around given forceful leadership from the top. In certain cases, such as training, some remedial steps are already under way and could be accelerated; new people being recruited often have the desired specialized backgrounds--the main problem now is giving older analysts such a background. But other problems, such as the development of a politico-military capability, the capability to look at problems from a geostrategic or "macro" perspective and cross-disciplinary analysis, will take more time because the cadre must be developed. Perhaps most important, many of these problems can be attacked without any reorganization. They are primarily management problems.

4. As you begin to consider ways to improve analysis, let me warn you that analysts wear their objectivity on their sleeves, and are already suspicious that their analysis is being politicized. Any broad effort to address the analytical problems that I have outlined above likely will prompt considerable internal grumbling and protest that they are being re-tooled to conform with the views of the new Administration. It is not unlikely that such concerns would find their way into public. This is not to say we should not proceed; it is simply to alert you in advance that there will be controversy.

5. Let me offer one final thought in this opening shot on analysis. During my experience at the NSC under both Republican and Democratic Administrations, individuals or organizations which were not performing up to snuff usually were ignored while policymakers sought other ways to get the work done. I believe it would be a mistake for you to turn away from NFAC and have others do its work--either DDO or outsiders. That would not fix the problem of analysis at CIA, even though it may provide a better, faster solution to short-term tasks. I urge you to use NFAC and, should they fail to meet your expectations, to make appropriate changes in order to correct shortcomings. DCIs have postponed improving CIA analysis for too long. It is well past time to begin.

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cc: SA/DCI (John Bross)

P.S. I can best help you by being absolutely frank. I hope you will not reference my memos or views in discussions with those outside our office or by circulating them. Thanks.

RG.